

26 October 2007

ACTIVITIES REPORT – QUARTER ENDING 30 SEPTEMBER 2007

Jupiter Energy Limited (ASX: JPR) presents the following report on activities for the three months ending 30 September 2007. Also included in this report are details of any significant subsequent events that have taken place in October 2007.

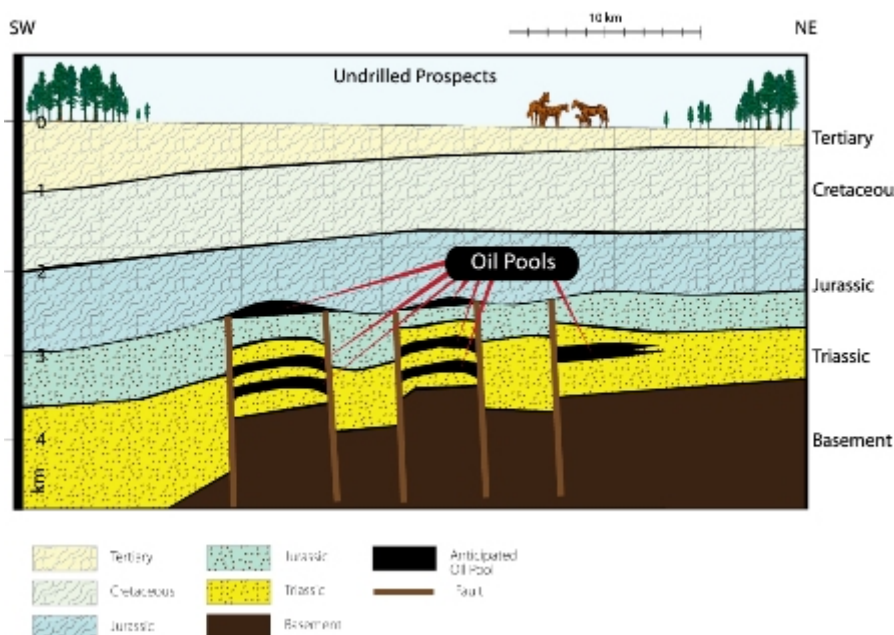
Main Activities:

Jupiter Energy Limited (ASX: JPR) reported during the quarter that it had made significant progress in transforming the Company into an oil exploration and production company based primarily in the Republic of Kazakhstan.

On Tuesday, July 3 2007 the Company announced that it had signed a Binding Term Sheet to acquire its initial permit in Kazakhstan. The permit is located in the Zhetybai-Uzen step where government records indicate reserves are 6 Billion barrels of oil equivalent (BOE) of which 80% is oil. The two biggest oil fields are Uzen and Zhetybai which produce from both the Jurassic and the Triassic.

The permit, known currently as Block 31, consists of two blocks and covers an area of over 100 sq km. It is located on trend with three existing producing oil fields which have potential reserves of 21-56 million barrels of oil (mmbbls). The Contract with the Ministry of Energy and Mineral Resources (MEMR) is for exploration to begin on the permit in 2007.

BLOCK 31 - PLAY TYPES JURASSIC 4 WAY DIP & TRIASSIC FAULT BLOCKS



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The Permit has a six (6) year exploration period with the right to extend it twice for two (2) years for a total period of ten (10) years.

The permit has been lightly explored with a regional 2D grid of 1970's and 1980's vintage seismic and mapping of the top Triassic map suggests Middle Triassic tilted fault blocks traps similar to the Akkar N and NW Zhetybai oil fields. These traps include a potential field extension to Akkar N and at least two other substantial structures. Recent 3D along this same trend has revealed Middle Triassic traps which have already resulted in new field discoveries. The plan is to acquire 3D Seismic in late 2007/early 2008 with the view to drill the best prospects on the permit as soon as possible during 2008.

Summary of the Transaction:

The underlying terms of the transaction are as follows:

JPR has paid the vendors of the permit an initial deposit of \$US 500,000. The Vendors will seek MEMR approval to assign the Sub Surface Rights to JPR and receive a waiver from the Government of Kazakhstan to refuse to exercise its pre-emptive right to also acquire an interest in these Sub Surface Rights. The waiver process is followed in Kazakhstan whenever there is a sale of rights of Oil & Gas permits from one party to another.

On completion JPR will conclude the purchase of the Sub Surface Rights by way of:

- The issue of 16 million fully paid ordinary shares in JPR; and
- The payment of \$US 5,500,000 which, when combined with the initial deposit, makes the total cash consideration paid \$US 6,000,000.

The transaction is subject to certain conditions precedent and these are:

- JPR receiving the necessary government approvals and waivers from MEMR to enable the transfer of the Sub Surface Rights;
- completion of due diligence by JPR on the Sub Surface Rights, to the satisfaction of the Board of Jupiter Energy Limited;
- the removal of any encumbrances on or in respect of any of the Sub Surface Rights;
- the approval of the issue of the 16 million fully paid ordinary shares by the shareholders of JPR at the 15 November 2007 AGM; and
- the approval by JPR shareholders to raise additional capital to complete the transaction at the 15 November 2007 AGM.

A formal sales agreement was now been entered into by the parties and this was announced to shareholders on 8 October 2007. The \$US500,000 deposit will be refunded in full if the vendors are not able to secure the necessary government approvals and waivers.

The JPR Board believes that this initial exploration project is an excellent opportunity on which to begin the development of JPR into a substantial oil producer in Kazakhstan. The Company has further plans to grow the portfolio of oil assets and this plan will be implemented over the coming 12 months.

Board Changes and Other Key Appointments during the quarter:

On 9 July 2007, Mr Eddie Smith and Mr David Quinlivan resigned as Directors and Mr Andrew Childs joined the Board. Eddie and David had served on the JPR Board since early 2005 and JPR thanks them both for their contribution to the revitalization of the Company over the past 2.5 years.

Geoff Gander took over the role of Chairman and the new Board is now made up of:

- Geoff Gander: Executive Chairman
- Andrew Childs: Non Executive Director
- Erkin Svanbayev: Executive Director (and head of the JPR Almaty office)

During the quarter, the Board of JPR also continued to growth its core management team and has appointed Keith Martens as a Technical Consultant. Keith is a Canadian educated 30 year veteran of the Oil & Gas industry. He has worked with a number of Canadian and Australian organisations including Hudson's Bay Oil & Gas, Marathon Petroleum, Santos, Tap Oil and most recently Bow Energy. Keith will focus on coordinating the completion of the 3D Seismic on the permit and its interpretation as well as assisting in the technical review of any new acquisitions being considered by the Company.

Other Subsequent Events:

Geoff Gander and Keith Martens attended KIOGE 2007, an international oil & gas conference held in Kazakhstan for the past 15 years, in early October 2007. During this visit, excellent progress was made in relation to advancing negotiations on the purchase of an interest in an oil field with existing reserves and the Company will keep shareholders informed on any progress made with advancing this opportunity.

If shareholders have any questions regarding this activities report, they can contact the JPR office on (08) 9322 8222 or myself on 0417 914 137 or via email – geoff@highway1.com.au

Geoff Gander
Executive Chairman

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OTHER EXPLORATION ACITIVITIES - PEP 163

PEP 163 covers is located in the eastern Otway Basin and is located 10 kilometers from the city of Geelong and 50 kilometers from Melbourne. The proximity to established markets and infrastructure suggest that even modest discoveries of gas and/or oil could be commercially developed

Under the terms of an agreement signed on April 26 2005 with Lakes Oil NL, Jupiter agreed to fund the first \$1.2 million of the drilling and completion costs of the Bellarine No. 1 well to earn 50% interest in PEP 163. This interest has been earned.

No activity was carried out on the permit during this quarter.

ENDS

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